

Message Text

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ACTION NEA-16

INFO OCT-01 EUR-25 ISO-00 ACDA-19 SAJ-01 SAB-01 SAM-01

INRE-00 SSO-00 NSCE-00 PM-07 NSC-07 SP-03 SS-20

RSC-01 CIAE-00 INR-11 NSAE-00 EB-11 AID-20 OMB-01

TRSE-00 CIEP-03 L-03 DRC-01 /152 W
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O R 291230Z SEP 74

FM AMEMBASSY MANAMA BAHRAIN

TO SECSTATE WASHINGTON DC IMMEDIATE 1533

INFO CNO WASHINGTON DC

DOD WASHINGTON DC

CINCUSNAVEUR LONDON UK

COMIDEASTFOR

C O N F I D E N T I A L MANAMA 0788

DOD FOR ISA

E.O. 11642: GDS

TAGS : MARR, BA, US

SUBJECT : RETAINING MIDDLE EAST FORCE IN BAHRAIN

1. SEPTEMBER 28 I LEFT WITH BAHARNA "FINAL" PROPOSED DRAFT
NOTE ON JURISDICTION PROCEDURES AS AUTHORIZED BY
STATE 214586. BAHARNA AGREED TO ARRANGE MEETING FOR
SEPTEMBER 30 AFTER STUDYING PROPOSAL. ACTING FOREIGN
MINISTER SHIRAWI TOLD ME IMMEDIATELY THEREAFTER THAT
BAHARNA PREPARING TO WRAP UP THIS ASPECT OF NEGOTIATIONS
SOONEST.

2. CMF ADMIRAL HANKS AND I SPENT HOUR WITH SHIRAWI
ON TECHNICAL ASSISTANCE/RENT QUESTION. SHIRAWI HAD
CALLED US IN TO CONVEY MESSAGE FROM PRIME MINISTER.
SHIRAWI AND PRIME MINISTER HAD EARLIER DISCUSSED AT
SOME LENGTH GOB DESIRE FOR "POLITICALLY ACCEPTABLE"
ECONOMIC BENEFITS FOR CONTINUING NAVY PRESENCE IN
NEIGHBORHOOD OF MYSTERIOUS 4 MILLION DOLLAR FIGURE
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GOB SEEMS TO FEEL SAUDIS MENTIONED TO USG. PRIME

MINISTER'S MESSAGE WAS THAT WHILE HE DID NOT WANT TO MAKE OFFICIAL REQUEST FOR 4 MILLION DOLLARS IN COMPENSATION, HE URGED USG TO COME FORWARD WITH PROPOSAL "WHICH WILL NOT EMBARRASS BAHRAIN."

3. WE EXPLORED AT LENGTH WITH SHIRAWI PROBLEMS WE ARE FACING. NEITHER GOB NOR USG WANTS A RENTAL FIGURE WHICH CANNOT BE JUSTIFIED ON COMMERCIAL GROUNDS. SHIRAWI CLEARLY UNDERSTANDS ANYTHING IN 4 MILLION DOLLAR NEIGHBORHOOD WOULD BE EXTREMELY DIFFICULT TO SO JUSTIFY. GOB FEELS ON OTHER HAND THAT RENT IN 2 MILLION DOLLAR NEIGHBORHOOD WOULD BE DIFFICULT TO SELL HERE AND IN AREA POLITICALLY UNLESS IT IS ACCOMPANIED BY TANGIBLE EVIDENCE OF U.S. SUPPORT OF TECHNICAL ASSISTANCE. SHIRAWI STATED THAT PROPOSED REIMBURSEABLE TECHNICAL ASSISTANCE AGREEMENT IS NOT POLITICALLY ACCEPTABLE TO GOB, ADDING THAT "ONE MILLION DOLLARS OF SALARY TOPPING WOULD MEAN MORE TO US THAN TWO MILLION DOLLARS IN ADDITIONAL RENT." SHIRAWI RAISED FOR FIRST TIME, OBVIOUSLY IN A TONE MORE WORRIED THAN THREATENING, QUESTION OF WHAT WILL HAPPEN TO U.S. NAVY IF WE ARE UNABLE TO REACH A SATISFACTORY AGREEMENT ON ECONOMIC CONSIDERATIONS. HE SAID THAT WITH ASSEMBLY RESUMING LAST WEEK OCTOBER, AFTER TERMINATION DEADLINE, GOB MUST HAVE PLAUSIBLE EXPLANATION OF WHAT ECONOMIC BENEFITS IT RECEIVING FROM CONTINUED NAVY PRESENCE.

4. I STRESSED TO SHIRAWI THAT STRAIGHT RENTAL FIGURE IN NEIGHBORHOOD OF \$4 MILLION WOULD APPEAR "POLITICAL", BOTH TO U.S. CONGRESS AND TO ARAB OPINION, AND WOULD ENCOURAGE PUBLIC COMMENT THAT MIDDLE EAST FORCE RETENTION INVOLVES SOME SORT OF U.S.-BAHRAINI POLITICAL COMMITMENT. AT SAME TIME I HAD ALREADY INFORMED GOB UNDER INSTRUCTIONS THAT USG PREPARED TO BE FORTHCOMING ON ECONOMIC CONSIDERATIONS. THIS INCLUDED RENT SO LONG AS IT JUSTIFIABLE ON COMMERCIAL BASIS; I.E. AT A FIGURE FAR BELOW THE \$4 MILLION RANGE. AT SAME TIME, USG PREPARED TO MOVE AHEAD WITH REIMBURSEABLE TECHNICAL ASSISTANCE AND EXPLORING VARIOUS ALTERNATIVES TO REDUCE COSTS TO GOB OF U.S. ADVISERS. WOULD NOT CONFIDENTIAL

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GENEROUS COMMERCIAL RENT, REIMBURSABLE TECHNICAL ASSISTANCE AGREEMENT AND USG OFFER, IN GOOD FAITH, TO LOOK FOR EVERY POSSIBILITY IN THE FUTURE TO OFFSET COST OF ADVISERS, BE SUFFICIENT FOR GOB TO ANSWER QUERIES AS TO HOW IT BENEFITS FROM CONTINUED NAVY PRESENCE HERE?

5. SHIRAWI SEEMED EXTREMELY DOUBTFUL, REPEATING

THAT WHILE CABINET UNDERSTANDS LEGISLATIVE AND BUDGETARY PROBLEMS USG IS FACING IN PROVIDING SALARY TOPPING, BAHRAINI AND ARAB PUBLIC OPINION UNLIKELY TO ACCEPT THAT U.S., WITH QUARTER CENTURY HISTORY OF GENEROSITY AROUND WORLD, UNABLE TO PROVIDE HALF MILLION DOLLARS OR SO OF TECHNICAL ASSISTANCE FUNDING FOR BAHRAIN. HE REITERATED POINT HE HAD MADE TO DEPUTY ASSISTANT SECRETARY SOBER (MANAMA 746) THAT GOB MIGHT BE WILLING TO WRAP UP NAVY QUESTION ON FIRM PROMISE OF SOME KIND OF U.S. TECHNICAL ASSISTANCE FUNDING IN \$500,000 TO \$1 MILLION PER YEAR RANGE WITHOUT HAVING THE MONEY OR ADVISERS ACTUALLY ON HAND, BUT THAT GOB WOULD HAVE TO BE ASSURED THAT OVER THE NEXT YEAR IT WOULD HAVE A SUBSTANTIAL AND TANGIBLE EVIDENCE OF U.S. SUPPORT IN TECHNICAL ASSISTANCE. URGING THAT I CONVEY PRIME MINISTER'S MESSAGE AND QUANDRY IN WHICH GOB FINDS ITSELF, SHIRAWI STATED WITH APPARENT DISCOURAGEMENT THAT HE WOULD TALK FURTHER WITH PRIME MINISTER, BUT IN ABSENCE OF ENCOURAGING RESPONSE FROM USG, WAS INCLINED TO LET THIS QUESTION LIE UNTIL FOREIGN MINISTER RETURNS NEXT WEEK.

6. EVENING SEPTEMBER 28 I BRIEFED DEPUTY ASSISTANT SECRETARY SOBER ON STATUS NEGOTIATIONS WHEN HE PASSED THROUGH BAHRAIN ENROUTE TO WASHINGTON.

7. COMMENT: WE HAVE COME TO THE HARD PLACE IN NEGOTIATIONS. IN EXTREMIS, GOB MIGHT BE WILLING TO SETTLE FOR \$4 MILLION AMOUNT IN ABSENCE TECHNICAL ASSISTANCE HELP, BUT THIS IS NOT WHAT BAHRAINIS REALLY WANT AND OBVIOUSLY WOULD BE EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, FOR US TO JUSTIFY ON "NON-POLITICAL" BASIS. (IN THIS CONNECTION, I AM NOW CONVINCED WE ARE WASTING

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PRECIOUS TIME AND POSING FURTHER RISK TO NEGOTIATIONS IF WE PUSH FOR "COMMERCIAL" RENT CLOSE TO \$1 MILLION THAN TO \$2 MILLION). WE FACE A FRUSTRATING SITUATION IN WHICH APPROXIMATELY \$2 MILLION IN COMMERCIAL RENT FROM NAVY AND ONE-HALF MILLION TO \$1 MILLION IN TECHNICAL ASSISTANCE FUNDING WOULD BE CONSIDERED BETTER OFFER THAN \$4 MILLION IN RENT, AND WOULD CERTAINLY BE MORE CONSISTENT WITH OUR INTERESTS IN BAHRAIN AND GULF AND THE IMAGE WE SHOULD PROJECT IN PURSUIT OF THOSE INTEREST. I MUST AGAIN URGENTLY REQUEST FURTHER CONSIDERATION OF THIS PROBLEM TO SEE IF THERE IS NOT SOME WAY WE CAN MAKE FUNDING AVAILABLE IMMEDIATELY WITH THE PROMISE, OVER TIME, TO GO UP TO \$1 MILLION PER YEAR IN FINANCING AMERICAN ADVISERS IN BAHRAIN. GOB MIGHT BE QUITE AMENABLE TO AN UNDERSTANDING THAT WE GET A

SMALL PROGRAM OF FIVE OR SO ADVISERS STARTED ON A
TEMPORARY FUNDING BASIS, PERHAPS UTILIZING GRANT
TECHNICAL ASSISTANCE, LOOKING TOWARD FUTURE
AUTHORIZATION FOR A SALARY TOPPING ARRANGEMENT
UNDER WHICH THE NUMBER OF USG ADVISERS COULD BE
SOMEWHAT INCREASED. AS DEPARTMENT AWARE THERE ARE
NUMBER OF POLITICAL FACTORS IN MIDDLE EAST GENERALLY
AND IN BAHRAIN ITSELF WHICH MAKE IT URGENT THAT WE
SETTLE THIS MATTER SOONEST. AT MOMENT, GOB IS
CONFIDENT AND DETERMINED IN ITS DESIRE TO SEE U.S.
NAVY STAY HERE. A MONTH FROM NOW, IF THIS ISSUE
IS STILL UNRESOLVED, GOB MAY BE PRETTY WOBBLY.
TWINAM

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Message Attributes

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